“Brain Trust.” Roosevelt, a Democrat, displayed his openness by nominating two Republicans, Henry Wallace and Harold Ickes (IHK uhks), to serve as his Secretary of Agriculture and Secretary of Interior. Roosevelt also nominated Frances Perkins, a social worker, to serve as his Secretary of Labor. She became the first woman Cabinet member in U.S. history.

Throughout his presidency, FDR depended heavily on his wife, Eleanor. She traveled widely, interacting with the American people and serving as FDR’s “eyes and ears.” For example, in 1933, the Bonus Army, which had marched on Washington, D.C., in 1932, returned to the capital, seeking an early payment of its bonus for World War I service. Like Hoover, FDR informed the marchers that the government could not afford to pay them their bonus. But unlike Hoover, who had sent the army to evict the Bonus Army, FDR sent Eleanor. She sang songs with the veterans and made them feel that the government cared.

✓ Checkpoint How did FDR’s background and actions help build confidence among the American people?

The First Hundred Days Provide Instant Action

During his first hundred days in office, Roosevelt proposed and Congress passed 15 bills. These measures, known as the First New Deal, had three goals: relief, recovery, and reform. Roosevelt wanted to provide relief from the immediate hardships of the depression and achieve a long-term economic recovery. He also instituted reforms to prevent future depressions.

FDR Swiftly Restores the Nation’s Confidence Roosevelt wasted no time dealing with the nation’s number one crisis. Late in 1932, banks had begun to

INFOGRAPHIC

RELIEF, RECOVERY, AND REFORM THE FIRST 100 DAYS

Working together, President Roosevelt and Congress quickly passed many new laws to provide job relief, speed economic recovery, and reform business practices. These New Deal programs marked the beginning of the federal government’s increasingly active role in shaping the economy and society.

Achievements of the First Hundred Days

- Federal Deposit Insurance Corporation (FDIC)
- National Recovery Administration (NRA)
- Civilian Conservation Corps (CCC)
- Public Works Administration (PWA)
- Agricultural Adjustment Act (AAA)
- Tennessee Valley Authority (TVA)
- Home Owners’ Loan Corporation (HOLC)

▲ FDR used his first “fireside chat” to explain reform measures taken to end bank runs.

▼ Low-interest HOLC loans helped people meet mortgage payments, stimulating the housing industry.

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fail in great numbers. A banking panic gripped the nation as frightened depositors lined up outside banks, trying to withdraw their savings.

The day after his inauguration, Roosevelt called Congress into a special session and convinced them to pass laws to shore up the nation’s banking system. The Emergency Banking Bill gave the President broad powers—including the power to declare a four-day bank “holiday.” Banks all over the country were ordered to close. The closings gave banks time to get their accounts in order before they reopened for business.

Eight days after becoming President, Roosevelt delivered an informal radio speech to the American people. This was the first of many presidential fireside chats. They became an important way for Roosevelt to communicate with the American people. In the first fireside chat, FDR explained the measures he had taken to stem the run on banks. His calming words reassured the American people. When the bank holiday ended, Americans did not rush to their banks to withdraw their funds. Roosevelt had convinced them that the banks were a safe place to keep their money.

Reforming the Financial System A number of Roosevelt’s proposals sought to reform the nation’s financial institutions. One act created the Federal Deposit Insurance Corporation (FDIC), which insured bank deposits up to $5,000. In the following year, Congress established the Securities and Exchange Commission (SEC) to regulate the stock market and make it a safer place for investments.

These financial reforms helped restore confidence in the economy. Runs on banks ended, largely because Americans now had confidence that they would not lose their lifetime savings if a bank failed. The stock markets also stabilized as regulated trading practices reassured investors.

PWA projects provided construction jobs on roads, bridges, and public buildings.

Thinking Critically
1. **Analyze Maps** Name the states that were affected by TVA projects.
2. **Analyze Information** How did the programs of the first 100 days benefit both the economy and the environment?
Government Puts People to Work

The Works Progress Administration poster (above) promoted the benefits of putting people to work. These TVA workers (right) assembled generators at the Cherokee Dam in Tennessee. If you had been out of work during the depression, what effect might these images have had on you? Why?

Helping Farmers A number of New Deal programs aimed at easing the desperate plight of American farmers. For years, the supply of crops grown by American farmers had far exceeded demand. Prices dropped to the point where it was no longer profitable to grow some crops. To counter this, Congress passed the Agricultural Adjustment Act (AAA), which sought to end overproduction and raise crop prices. To accomplish these goals, the AAA provided financial aid, paying farmers subsidies not to plant part of their land and to kill off excess livestock. Many Americans believed it was immoral to kill livestock or destroy crops while people went hungry. However, by 1934, farm prices began to rise.

The TVA Aids Rural Southerners Americans living in the Tennessee River valley were among the poorest in the nation. Few had electricity, running water, or proper sewage systems. In 1933, Congress responded by creating a government agency called the Tennessee Valley Authority (TVA). The TVA built a series of dams in the Tennessee River valley to control floods and to generate electric power. The agency also replanted forests, built fertilizer plants, created jobs, and attracted industry with the promise of cheap power.

Despite its accomplishments, the TVA attracted a host of critics. Some called the TVA “socialist,” because it gave government direct control of a business. Private power companies complained that they could not compete with the TVA, because the agency paid no taxes. However, the TVA’s successes in improving life in the Tennessee Valley have ensured its survival to the present.

Providing Relief and Promoting Industrial Recovery During his first hundred days as President, Roosevelt proposed and Congress enacted numerous other relief measures. To counter the depression’s devastating impact on young men, FDR created the Civilian Conservation Corps (CCC). The CCC provided jobs for more than 2 million young men. They replanted forests, built trails, dug irrigation ditches, and fought fires. As time went on, programs such as the CCC became more inclusive, extending work and training to Mexican American and other minority youth, as well as to whites. FDR called the CCC his favorite New Deal program.

Congress passed a number of other relief acts. The Federal Emergency Relief Act (FERA) granted federal funds to state and local agencies to help the unemployed. The short-lived Civil Works Administration (CWA) provided jobs on public-works projects. On another front, Congress created the Home Owners Loan Corporation (HOLC), which loaned money at low interest rates to homeowners who could not meet mortgage payments. The Federal Housing Administration (FHA) insured bank loans used for building and repairing homes.
These New Deal measures marked a clear break from the policies of the Hoover administration, which had disapproved of direct relief to individuals. The $500 million appropriated for FERA represented the largest peacetime expenditure by the federal government to that time.

The centerpiece of the early New Deal’s recovery program was the **National Recovery Administration (NRA)**. Roosevelt called the NRA “the most important and far-reaching legislation ever enacted by the American Congress.” Working with business and labor leaders, the NRA developed codes of fair competition to govern whole industries. These codes established minimum wages for workers and minimum prices for the goods that businesses sold. The idea behind these codes was to increase the wages of workers so they could buy more goods and raise prices so companies could make a profit.

Another New Deal legislative achievement was the **Public Works Administration (PWA)**, which built bridges, dams, power plants, and government buildings. The PWA was responsible for building many important projects still in use today, such as New York City’s Triborough Bridge, the Overseas Highway linking Miami and Key West, and the Bonneville Dam on the Columbia River in the Pacific Northwest. These public-works projects improved the nation’s infrastructure and created millions of new jobs for workers.

**Checkpoint** What actions did Roosevelt take during his first hundred days in office?

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### Opposition to the New Deal Emerges

While Roosevelt had little difficulty gaining support from Congress for his proposals, a minority of Americans expressed their opposition to the New Deal. Some thought the changes it brought were too radical. Others thought that the New Deal was not radical enough. Several of FDR’s critics attracted mass followings and made plans to challenge him for the presidency in 1936.

**The Right Says “Too Much”** The chief complaint against the New Deal was that it made the government too powerful. Critics contended that the government was telling business how to operate, spending large sums of money, and piling up a huge national debt.

To many conservatives, the New Deal was destroying free enterprise and undermining individualism. In a 1934 book entitled *The Challenge to Liberty*, former President Herbert Hoover described the New Deal as “the most stupendous invasion of the whole spirit of liberty” in the nation’s history. Robert Taft, the son of former President William Howard Taft and a leading Republican in Congress, claimed Roosevelt’s programs threatened individual freedom.

In 1934, these critics formed the American Liberty League. Supporters included prominent business leaders, such as Alfred Sloan and William Knudsen of General Motors. Leading Democrats, such as John W. Davis, the Democrat’s presidential nominee in 1924, and Al Smith, the nominee in 1928, joined the Liberty League because they felt Roosevelt had deserted the Democratic Party’s principles of a limited federal government.

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**Analyzing Political Cartoons**

*The Galloping Snail*  This cartoon represents the relationship between President Roosevelt and Congress during FDR’s first hundred days in office.

- **A** President Roosevelt
- **B** Congress
- **C** Roosevelt’s New Deal agenda

1. Why did the cartoonist use a snail to represent Congress?
2. What is the cartoonist saying about the relationship between the President and Congress?
The New Deal: Too Much—or Not Enough?

Franklin Roosevelt's New Deal raised the issue of how involved the government should be in the economy and in the lives of its citizens. This question divided many Americans.

**Alfred E. Smith**
Smith (1873–1944) served as governor of New York and ran for President in 1928. He believed the New Deal made the government too powerful and described it as a "trend toward Fascist control" and "the end of democracy."

**Francis Townsend**
Townsend (1867–1960) was a medical doctor who felt the New Deal did not do enough to help older Americans devastated by the depression. He proposed a pension plan funded by a national sales tax.

**Compare**
1. Which man thought that the New Deal went too far? Which man thought that the New Deal did not go far enough?
2. Why does each oppose the New Deal?

**The Left Says "Not Enough"** While conservatives accused FDR of supporting socialism, some leading socialists charged that the New Deal did not do enough to end the depression. Norman Thomas, the Socialist Party's presidential candidate, claimed that FDR's only concern was saving the banking system and ensuring profits for big business. The American Communist Party described the New Deal as a "capitalist ruse."

**Populist Critics Challenge FDR** The most significant criticism of FDR came from a cluster of figures whose roots were in the Populist movement. They saw themselves as spokesmen for poor Americans, challenging the power of the elite. Roosevelt's strongest critics were Francis Townsend, Father Charles Coughlin, and Huey Long.

Townsend, a doctor from California, had a simple program. It called for the federal government to provide $200 a month to all citizens over the age of 60. These funds, he argued, would filter out to the rest of society and produce an economic recovery. To promote this plan, he established "Townsend Clubs" and held meetings that resembled old-time church revivals.

Father Charles Coughlin presented an even bigger challenge to FDR. Coughlin, a Roman Catholic priest, had attracted millions of listeners to his weekly radio show. At first, Coughlin supported the New Deal, but in time he broke with FDR, accusing him of not doing enough to fight the depression. Coughlin
said that Roosevelt had “out-Hoovered Hoover” and called the New Deal “the raw deal.”

Coughlin mixed calls for the nationalization of industry with anti-Semitic remarks and attacks on “communists” who, he charged, were running the country. By the early 1940s, Coughlin’s views became so extreme that Roman Catholic officials forced him to end his broadcasts.

Canadian by birth, Coughlin could not run against FDR in the 1936 election. However, he threatened to throw his support behind an even more popular New Deal critic, Senator Huey Long of Louisiana. Long was an expert performer whose folksy speeches delighted audiences. Long’s solution to the depression was his “Share Our Wealth” program that proposed high taxes on the wealthy and large corporations, and the redistribution of their income to poor Americans.

“God invited us all to come and eat and drink all we wanted. He smiled on our land and we grew crops of plenty to eat and wear. . . . But then] Rockefeller, Morgan, and their crowd stepped up and took enough for 120,000,000 people and left only enough for 5,000,000 for all the other 125,000,000 to eat. And so the millions must go hungry and without those good things God gave us unless we call on them to put some of it back.”

—Huey Long radio broadcast, 1934

Roosevelt viewed Long as a serious political threat. But unlike Roosevelt, Long did not have a deep faith in democracy. Ruling Louisiana as if he owned the state, he made many enemies. In 1935, a political enemy assassinated Long, ending the most serious threat to Roosevelt’s presidency.

**Checkpoint** What were the two major criticisms of FDR’s New Deal economic policies?

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**Comprehension**

1. **Terms and People** For each item below, write a sentence explaining how it affected the lives of people during the New Deal.
   - Eleanor Roosevelt
   - fireside chat
   - TVA
   - PWA
   - Charles Coughlin
   - Huey Long

**Critical Thinking**

4. **Draw Inferences** Why did President Roosevelt need his wife, Eleanor, to serve as his “eyes and ears”?

5. **Make Comparisons** How did FDR’s economic policies differ from those of Herbert Hoover?

6. **Identify Central Issues** Why do you think the depression led to the development of some extreme proposals?